

April 14, 2020

EDWARD J. EMMONS, CLERK  
U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA



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**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION**

**In re:**

**PG&E CORPORATION**

**-and-**

**PACIFIC GAS AND ELECTRIC  
COMPANY,**

**Debtors.**

- ☐ Affects PG&E Corporation
- ☐ Affects Pacific Gas and Electric Company
- ☒ Affects both Debtors

*\*All papers shall be filed in the Lead Case,  
No. 19-30088 (DM)*

Elizabeth A. Green (*pro hac*)  
BAKER & HOSTETLER LLP

Signed and Filed: April 14, 2020

**DENNIS MONTALI**  
U.S. Bankruptcy Judge

Bankruptcy Case  
No. 19-30088 (DM)

Chapter 11  
(Lead Case)  
(Jointly Administered)

**ORDER GRANTING APPLICATION OF  
THE OFFICIAL COMMITTEE OF  
TORT CLAIMANTS PURSUANT TO 11  
U.S.C. §§ 1103 AND 363 AND FED. R.  
BANKR. P. 2014 AND 5002 TO RETAIN  
AND EMPLOY CATHY YANNI AS  
CLAIMS ADMINISTRATOR *NUNC PRO  
TUNC* TO JANUARY 13, 2020**

[Relates to Dkt. 5723-5725, 5967, 6486]

Upon the Application, filed February 11, 2020, [Dkt No. 5723] (the “**Application**”),<sup>1</sup> of the Official Committee of Tort Claimants (the “**TCC**”) appointed in the chapter 11 cases of PG&E Corporation and Pacific Gas and Electric Company (collectively the “**Debtors**”) for an order, pursuant to section 1103(a) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 2014 and 5002 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), authorizing the retention and employment of Cathy Yanni (“**Ms. Yanni**”) as claims administrator for the Fire Victim Trust, *nunc pro tunc* to January 13, 2020 and the Request for Hearing [Dkt No. 6486] (the “**Hearing Request**”) on Applications of the Official Committee of Tort Claimants Pursuant to 11 U.S.C. § 1103 and Fed. R. Bankr. P. 2014 and 5002 to Retain And Employ Hon. John K. Trotter (Ret.) as Trustee and Cathy Yanni as Claims Administrator *nunc pro tunc* to January 13, 2020, and this Court having jurisdiction to consider the Application and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.), and Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern District of California (the “**Local Rules**”); and consideration of the Application and the Hearing Request and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found and determined that notice of the Application and of the Hearing Request as provided to the parties listed therein is reasonable and sufficient; and it appearing that no other or further notice need be provided; and this Court having reviewed the Application, the Hearing Request and the Yanni Declaration and Supplemental Declaration, and all responsive pleadings filed with respect to the Application; and this Court having issued docket text orders with respect to the Application on March 6, 2020 indicating that the Court would approve the Application and ordering the Debtors and the TCC to meet and confer on a reasonable cap and budget dealing with fees, costs and expenses to be incurred; and it appearing that the relief requested in the

<sup>1</sup> Capitalized terms used but not otherwise herein defined shall have the meanings ascribed to such terms in the Application, or in the Debtors' and Shareholder Proponents' Joint Chapter 11 Plan of Reorganization dated March 16, 2020 [Docket No. 6320] (as amended or modified, the “**Plan**”), as applicable.

1 Application, as modified herein, reflects the understanding reached between the Debtors and the  
2 TCC with respect to the fees, costs and expenses to be incurred; and upon all of the proceedings  
3 had before this Court and after due deliberation and sufficient cause and basis, including under  
4 11 U.S.C. § 363, appearing therefor,

5 **IT IS HEREBY ORDERED THAT:**

6 1. The Application is approved solely to the extent set forth herein.

7 2. Ms. Yanni shall be retained as the claims administrator of the Fire Victim Trust  
8 *nunc pro tunc* to January 13, 2020 and ending on the earliest to occur of (i) the voting deadline if  
9 the Classes of Fire Victim Claims do not vote to accept the Plan, (ii) at the conclusion of the  
10 confirmation hearing if the Court does not enter an order confirming the Plan, and (iii) the  
11 Effective Date of the Plan (the period of Ms. Yanni's engagement shall be the "**Engagement**  
12 **Term**").

13 3. Ms. Yanni is authorized during the Engagement Term to retain such appropriate  
14 professionals and administrative staff as she may deem necessary to assist her in the performance  
15 of her services as set forth in the Application, the Hearing Request and subject to the Budget  
16 (such professionals and administrative staff retained by Ms. Yanni and by the FVT Trustee (as  
17 defined below) the "**Trust Professionals**"). Such Trust Professionals may be retained effective  
18 as of the date such professional or administrative staff began work for Ms. Yanni as proposed  
19 claims administrator of the Fire Victim Trust. Ms. Yanni may retain the same Trust Professionals  
20 as Hon. John K. Trotter (ret.) or may retain such professionals jointly with him. No applications  
21 for the retention of the Trust Professionals shall be required to be filed with the Court

22 4. Ms. Yanni and the Trust Professionals shall be compensated solely for reasonable  
23 and necessary fees and reimbursed for reasonable and necessary expenses incurred during the  
24 Engagement Term in accordance with and subject to the budget attached hereto as **Exhibit A** (the  
25 "**Budget**"), which provides for the estimated fees and expenses to be incurred by Ms. Yanni and  
26 the Honorable John K. Trotter (Ret.) (the "**FVT Trustee**") and the Trust Professionals retained by  
27 both of them as described in the Hearing Request and Budget, subject to the provisions of this  
28 Order.

1           5. Pursuant to the *Order Re: The Production of the BrownGreer Database* [Dkt. No.  
2 3922] entered on September 17, 2019 (the “**BrownGreer Order**”), the Debtors are authorized  
3 and directed to pay no later than 3 business days from entry of this Order (which payment is  
4 hereby ratified, approved and confirmed on a final basis) \$2,500,000.00 on account of all  
5 reasonable and documented fees, costs, and out-of-pocket expenses of BrownGreer PLC for  
6 services rendered prior to January 1, 2020. Such payment to BrownGreer is an obligation of the  
7 Debtors pursuant to the BrownGreer Order, is unrelated to the Fire Victim Trust and accordingly  
8 is not accounted for in the Budget. Such payment shall be made directly to BrownGreer in  
9 accordance with wire instructions provided to the Debtors by BrownGreer.

10           6. The Debtors are further authorized and directed to pay to the Pre-Effective Date  
11 Operating Account (as defined below) so long as the Engagement Term has not terminated prior  
12 to the date of performance set forth below, by wire transfer pursuant to wire instructions to be  
13 provided to the Debtors by the Claims Administrator and FVT Trustee, on account of all  
14 reasonable and documented fees, costs, and out-of-pocket expenses of the Claims Administrator,  
15 the FVT Trustee and the Trust Professionals incurred on or after January 12, 2020 in accordance  
16 with the terms of this Order and the Budget, the sum of \$21,802,777.00 as follows: (i)  
17 \$2,500,000.00 within 3 business days from entry of this Order; (ii) \$9,767,593.00 on or before  
18 May 30, 2020; (iii) \$4,767,592.00 on or before June 30, 2020; and (iv) \$4,767,592.00 on or  
19 before July 31, 2020 (the total of the amounts in (ii) through (iv) above, the “Trust Advance”).  
20 The Trust Advance shall be credited dollar for dollar against the Cash to be distributed to the Fire  
21 Victim Trust on the Effective Date pursuant to the Plan. Under no circumstances shall the  
22 Debtors pay in excess of \$2.5 million under this paragraph 6 without such excess being credited  
23 as provided in the immediately preceding sentence. The Debtors may unilaterally terminate any  
24 of their prospective obligations under this this paragraph if the Fire Victims vote to reject the Plan  
25 or the Plan is not confirmed by June 30, 2020 or such later date as may be agreed to in writing by  
26 the Debtors.

27           7. If the Engagement Term has not ended and if Effective Date of the Plan has not  
28 occurred by August 31, 2020, the Debtors shall make monthly payments to the Pre-Effective Date

1 Operating Account in the amount of \$5,300,000 on the first day of each month until the Effective  
2 Date, with the first payment due on September 1, 2020, on account of all reasonable and  
3 documented fees, costs, and out-of-pocket expenses of the Claims Administrator, the FVT  
4 Trustee and the Trust Professionals incurred on or after September 1, 2020 in accordance with the  
5 terms of this Order and the Budget. All amounts paid pursuant to this paragraph 7 shall be  
6 credited dollar for dollar against the Cash to be distributed to the Fire Victim Trust on the  
7 Effective Date pursuant to the Plan.

8 8. Beginning on May 15, 2020 and on the 15th day of each month thereafter, Justice  
9 Trotter will provide, each month, a submission to: (i) the Debtors; (ii) the United States Trustee;  
10 and (iii) each official committee in these cases, detailing the amounts of fees and expenses  
11 incurred by the Claims Administrator, the FVT Trustee and the Trust Professionals in the  
12 preceding month and his determination that the amounts paid to each professional is reasonable  
13 and necessary based on the services provided. Such monthly submission shall be filed on the  
14 Court's docket. Under no circumstances shall any fees and expenses be paid by the Debtors  
15 pursuant to this Order in excess of the Budget for the period covered thereby.

16 9. Nothing herein shall limit the Claims Administrator, the FVT Trustee or any Trust  
17 Professional from being reimbursed by the Fire Victim Trust for any reasonable and documented  
18 fees or expense incurred but not paid by the Debtors or covered by the Trust Advance, in  
19 accordance with the Trust Agreement governing the Fire Victim Trust.

20 10. There shall be no limitation of liability of Yanni or any Trust Professional in  
21 connection with this engagement.

22 11. In connection with Ms. Yanni's and Justice Trotter's retention of a financial  
23 advisor as a Trust Professional, the Debtors are authorized and directed to provide the same  
24 substantive indemnity to said financial advisor as the Debtors provided to the TCC's financial  
25 advisor and upon the Plan Effective Date, any indemnity obligation and any liability associated  
26 therewith shall be transferred to the Fire Victim Trust.

27 12. Ms. Yanni is further authorized to establish an escrow account (the "**Pre-Effective**  
28 **Date Operating Account**"), which account shall be established for the sole purpose of receiving

1 and disbursing funds in accordance with this Order. Ms. Yanni shall serve as the administrator of  
2 such escrow account, and in such capacity, Ms. Yanni is authorized to: (i) designate a bank or  
3 trust account as she determines necessary to receive and disburse funds; and (ii) determine and  
4 comply with such tax filing and reporting obligations as she determines necessary in accordance  
5 with applicable laws.

6 13. To the extent that there may be any inconsistency between the terms of the  
7 Application or the Hearing Request and this Order, the terms of this Order shall govern.

8 14. The relief granted herein shall be binding upon any chapter 11 trustee appointed in  
9 the Cases, or upon any chapter 7 trustee appointed in the event of a subsequent conversion of the  
10 Cases to cases under chapter 7.

11 15. Nothing contained in this Order and no action taken by the TCC, the FVT Trustee  
12 or the Claims Administrator (including work on drafting and developing the Fire Victim Trust,  
13 Fire Victim Trust Agreement or the Fire Victim Claims Resolution Procedure, and the  
14 implementation thereof) shall prejudice the rights of any parties in interest to challenge or object  
15 to the Fire Victim Trust, the Fire Victim Trust Agreement, the Fire Victim Claims Resolution  
16 Procedure or the Plan: provided, however, that the deadlines and obligations established by the  
17 Court in the Amended Order Establishing Schedule for Disclosure Statement Approval and Plan  
18 Confirmation dated February 11, 2020 [Docket No. 5732] shall continue to govern the parties.

19 16. The TCC and Ms. Yanni are authorized to take all steps necessary or appropriate  
20 to carry out this Order.

21 17. This Court shall retain jurisdiction to hear and determine all matters arising from  
22 or related to the implementation, interpretation, or enforcement of this Order. For the avoidance  
23 of doubt, during the pendency of these Cases, this Court shall have exclusive jurisdiction over the  
24 retention of Ms. Yanni and any other person or entity retained by Ms. Yanni as authorized herein  
25 in connection with this retention and Order.

26 \*\* END OF ORDER \*\*  
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